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Order 2004-8-30  
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**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 30th day of August, 2004

In the Matter of the

**SMALL COMMUNITY AIR SERVICE  
DEVELOPMENT PROGRAM**

under 49 U.S.C. 41743 *et seq.*

**DOCKET OST-2004-17343 - 905**

In the Matter of the

**SMALL COMMUNITY AIR SERVICE  
DEVELOPMENT PILOT PROGRAM**

under 49 U.S.C. 41743 *et seq.*

**DOCKET OST-2003-15065 - 604**

In the Matter of the

**SMALL COMMUNITY AIR SERVICE  
DEVELOPMENT PILOT PROGRAM**

under 49 U.S.C. 41743 *et seq.*

**DOCKET OST-2002-11590 - 787**

**ORDER AWARDING GRANTS**

**Summary**

By this order, the Department awards financial grants for fiscal year 2004 under the Small Community Air Service Development Program (Small Community Program) to the communities listed in the Appendix A to implement the air service initiatives proposed in their grant applications. We are also awarding grants from reallocated funds from FY 2002 and FY 2003 to communities that had submitted applications in those years. (Appendix B) Collectively, these

grant awards benefit 52 communities in 34 states. Award recipients must execute a grant agreement with the Department before they can begin to spend funds under the grants awarded by this order.

## **Background**

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), P.L. 106-181, 114 Stat. 61, established a new program, to be administered by the Department of Transportation, designed to help smaller communities enhance their air service and address issues related to high airfares.<sup>1</sup> AIR-21 authorized the Small Community Program through FY 2003. The program was reauthorized for five years, through FY 2008, and amended by Vision 100-Century of Aviation Reauthorization Act (Vision 100), P.L. 108-176. Funds were not appropriated for the first year the program was authorized under AIR-21. Congress appropriated \$20 million for the program in FY 2002, FY 2003 and FY 2004.<sup>2</sup>

The Department is authorized to award a maximum of 40 financial grants in each year, although no more than four may be to the same state. In addition, use of the funds to provide direct subsidy to an air carrier is limited to a period of no more than three years. The law, as amended, directs the Department to give priority to those communities or consortia of communities<sup>3</sup> where: a) air fares are higher than the average air fares for all communities; b) a portion of the cost of the activity contemplated by the community is provided from local, non-airport revenue sources; c) a public-private partnership has been or will be established to facilitate air carrier service to the public; d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited; and e) the funds will be used in a timely manner. Vision 100 also amended the statute to clarify that past grant recipients could not receive additional funding under a new grant for the same project.

For fiscal year 2002, the Department made 40 grant awards to communities in 37 states. (Orders 2002-6-14 and 2002-12-16.) In fiscal year 2003, the Department made 36 grant awards to communities in 35 states and Puerto Rico. (Orders 2004-9-14 and 2004-9-25.) Most grant recipients have proceeded with their grant projects, many of which have resulted in new or expanded services at the communities. Over 30 communities have received new or upgraded services, three have completed or are in the process of conducting feasibility studies, and several others have completed and implemented marketing and promotional initiatives that have increased enplanements at their airports. Other communities are continuing their projects to recruit additional services at their local airports.

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<sup>1</sup> See Orders 2002-6-14 and 2003-9-14 for a complete description of the history of the program.

<sup>2</sup> Fiscal year 2003 and 2004 funds were subject to across-the-board rescissions which reduced slightly the total funds available to \$19,880,000 and \$19,882,000, respectively.

<sup>3</sup> A consortium of communities is considered a single entity.

On March 15, the Department issued a request for proposals from communities interested in receiving a grant, and requested that such proposals be filed no later than May 14.

Order 2004-3-10. Consistent with previous years, the application process required no particular format. Rather, communities were requested to include information that would help in consideration of their grant requests. Such information included information about their existing air services, historical services, current service needs and deficiencies, a full description of the community's proposal, plans for implementation, funding requirements, and plans for monitoring the success of the project, including modifying or discontinuing funding if the project is not meeting expectations. To the extent that they considered it necessary for commercial purposes, we permitted communities to seek confidential treatment of certain portions of their applications, consistent with the Department's procedural regulations. Based on our experience during the first two years of the program and changes to the statute by Vision 100, the request for proposals clarified various issues relating to the grant application process, including the sources of local funding, the consideration of in-kind contributions, the use of grant funds, and the eligibility of past grant recipients and communities now receiving subsidized air service under the Essential Air Service (EAS) program to participate. The order further emphasized that communities would be expected to meet the financial contributions that they include in their proposals.

To facilitate awareness of the program at as many communities as possible, in addition to publishing the order in the Federal Register, copies of the request for proposals were also provided to the American Association of Airport Executives (AAAE), the Airports Council International--North America (ACI-NA), the National Association of State Aviation Officials (NASAO), the National Governors Association (NGA), the Association of County Executives, the Council of Mayors, and the National League of Cities.

### **Grant Applications**

The Department received 108 grant proposals, involving communities in 39 states. Collectively these communities sought over \$61 million in Federal assistance to support their proposed grant projects. Predominantly, the communities have also pledged to contribute substantial local and state resources (cash from local/state sources, airport revenues, and in-kind contributions) to assist in implementing their proposed projects. The majority of applications were filed by individual communities; however, applications were also filed by consortia of communities. In addition, a number of applications were from communities now receiving subsidized air service under the Department's EAS program, seeking funds to promote those services or to expand their current air services by increasing frequencies, adding new routes, or upgrading equipment to increase capacity. Most of the applications received this year were from communities that filed applications in previous years. Only fourteen applications were filed by new applicant communities.<sup>4</sup>

Similar to prior years, these applications make evident that air service issues continue to be of great concern to many small communities. The communities' applications provided substantial information on historical and current air service and airfare issues facing them, the benefits of air

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<sup>4</sup> Proposals are available in the public docket, OST-2004-17343.

service locally, their proposed initiatives to remedy their current air service or airfare problems, and the factors they believe support a grant award for their proposal. Nearly all of the communities seeking grant funds cited both service deficiencies and high airfares as problems affecting patronage of their air services. Many applicants noted that passengers often drive to other, frequently distant, airports where a wider range of services is offered to more destinations and/or lower airfares are available, but offered that there is sufficient demand for service at the community and that service at the local airport would be more convenient. Many other applicants cited the reduction of air service that has persisted since September 11, 2001, as well as the need and desire for larger, regional jet equipment to stimulate demand and increase use of local services, particularly by the business community.

Because the size and needs of each community differ widely, a range of proposals to address both service and fare issues were submitted. Some communities that currently do not have air service are seeking funds for air service feasibility studies; others would use grant funds to secure their first air service and direct access to the national air transportation system. Communities that now have some air service have sought funds for a variety of service improvements, including service on new routes by either incumbent or new airlines, additional air carriers, more frequent service in existing markets, and upgraded service with larger turboprop or regional jet aircraft. Communities that seek competitive services not only stress the local market benefits to travelers from the increased service, but also the potential to reduce circuitry and air travel time for many travelers.

Many communities identified the need to lower airfares now available from their airports in order to recapture passengers that are driving to better-served, but less convenient airports and/or airports that offer lower fares. Several communities proposed to use funds to attract low-fare carriers to improve price options to travelers and also to encourage other airlines serving the community to reduce their airfares. Others seek to attract new and additional carriers to their communities to increase air carrier options and encourage incumbent carriers to lower airfares for local and connecting services. Some communities have also proposed to subsidize airfares temporarily to stimulate demand and, potentially, reduce fare levels at the community on a longer-term basis without the need for continued fare subsidy support.

A critical component of most proposals is funding to support community-based marketing and promotional initiatives to stimulate demand and community awareness of services at the local airport. These efforts are directed at publicizing not only the availability of the services, but also the convenience of using the local airport compared to more congested air service hubs or other, larger, nearby airports.

The overwhelming majority of applicants specified the need to attract new and/or additional air services to their communities. Similar to last year, the majority of applicants this year have proposed to implement their projects using revenue guarantees or subsidy, together with marketing.

## Fiscal Year 2004 Grant Awards

We are selecting 40 grant proposals and will enter into grant agreements with the communities/consortia identified in Appendix A. Funds will be obligated for these awards as of the date of issuance of this order.<sup>5</sup> Grant agreements will be executed with each of the recipients and must be executed with the Department before they can begin to spend funds provided under this order. Finally grant recipients are subject to all grant conditions and assurances specified in Appendix C to this order.<sup>6</sup>

The Small Community Program was established to provide small communities with financial and other types of assistance to address air service issues, particularly those relating to insufficient air service or high airfares. The program is unique in that it affords communities the opportunity to develop their own solutions to their air service problems based on their particular needs and circumstances. By providing communities substantial input and participation in the development and implementation of the air service projects, the program aims to maximize the potential for success in the communities' endeavors.

The public interest and the goals of this program are best served by following the same broad and inclusive approach we have used in previous years in making this year's grant award selections. In prior years, focus was placed upon maximizing the number of communities participating in the program, geographic diversity of the selections, and using a variety of different solutions to the problems raised by the communities in order to be able to receive results that may benefit similarly situated communities. We are following the same approach this year in making our grant awards. We have been pleased with the progress made by many of the communities selected previously for grant awards. Nearly half of the communities selected have or will soon receive the new or expanded air service that they sought under their grant projects. Many others have implemented aggressive marketing and promotional campaigns that have resulted in the increased use of the services at the airports. However, the benefits derived from these projects cannot be determined until the projects are complete. Several of the grants awarded in fiscal year 2002 will be completed by the end of this calendar year. We intend to review the results of those awards to determine if they provide the guidance for future grant award selections under this program and offer methods of dealing with air service and airfare issues that could serve as models for other similarly-situated small communities.

Finally, for fiscal year 2004, Congress appropriated \$20 million for the Small Community Program, of which \$19,882,000 is available for distribution. This year's grant awards maximize use of the total funds available to ensure that the full benefits of this program are available to the participating communities.

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<sup>5</sup> The grants to two communities, Richmond, Virginia, and Lebanon, New Hampshire, are for a lesser amount than each had requested. Consequently, the grant awards to those communities will become effective, and the grant funds for each of their proposals will be obligated, if the communities accept the Department's grant offer and execute a grant agreement with the Department no later than 7 calendar days from the date of issuance of this order.

<sup>6</sup> Due to the length of FAA Order 5100-38B, it can be found at the following web address: <http://www2.faa.gov/arp/aip/order/5100-38B.pdf>. You may also contact the Office of Aviation Analysis at 202-366-1053 for a copy of the document.

The many proposals submitted were carefully considered. This year's selections will provide financial assistance to over 40 communities in 30 states.<sup>7</sup> In every award, the communities are contributing to the grant project from other than airport revenues. Many will also contribute to the project from airport revenues and provide in-kind airport benefits to further the goals of the proposed service/fare initiatives. In addition to the communities' participation and involvement in designing the grant projects, these financial contributions reflect a commitment to the grant projects that is important to the success of the proposed service/fare initiative. Nearly all of the communities either have, or will establish, public/private partnerships to increase community participation and to facilitate access to air service for the community.

Many of the applications that we received were meritorious. Since the Department may select a maximum of 40 proposals, we have selected proposals that incorporate the intent of Congress, the goals of the statute, and provide an expanded opportunity to test a variety of approaches to improving small community air service in all regions of the country.

Many communities noted in their proposals the impact of low-fare service at other, often more distant airports and the benefits that such service could provide their own local communities. In previous years, awards under this program have supported the introduction or expansion of low-fare services to Akron-Canton, Ohio; Knoxville, Tennessee; and Charleston, South Carolina. Akron-Canton benefited from the expansion of AirTran's service in two major markets. Knoxville and Charleston are two of the communities that received service from Independence Air under its inaugural schedule as a low-fare carrier. This year, our awards to Sarasota, Florida; Bloomington, Illinois; Lincoln, Nebraska; Sioux Falls, South Dakota; and Richmond, Virginia will enable these communities to pursue their goal to secure low-fare air services. Except for Bloomington, which now has some low-fare service, these awards will seek to facilitate the first ever low-fare service at these communities, providing a material benefit to a large segment of the traveling public. For Bloomington, this award will facilitate the community's efforts to secure its first low-fare service to the west.

The awards to Santa Rosa, California; Salem, Oregon; Latrobe, Pennsylvania; Del Rio, Texas; and Logan, Utah will afford these communities the opportunity to secure their first air service or to restore air service which had been lost several years ago.

Albany, Georgia; Sioux City, Iowa; and Eau Claire, Wisconsin all seek to benefit their communities with service by a second carrier. The awards to these communities will facilitate their goals of enhancing competition, providing local access to the systems of other airlines and their partners, and reducing existing airfares at the communities. Airfares at Albany and Eau Claire are above the average airfares for communities of comparable density and distance. Eau Claire's proposal for service to Milwaukee would also benefit passengers by providing them access to direct train service to Chicago available at the Milwaukee airport.

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<sup>7</sup> A consortium counts as a single entity, which enables the grants to benefit more communities without exceeding the limitations in the statute. See 49 U.S.C. §41743.

The awards to Redding/Arcata, California; Evansville/South Bend, Indiana; Kalamazoo, Michigan; Elko, Nevada; Wilkes-Barre/Scranton, Pennsylvania; Chattanooga, Tennessee; and Tyler, Texas, will support the efforts of these communities to expand their services to new routes. By expanding service, some by different airlines, to more destinations the communities hope to increase the service options for travelers, resulting in both service and fare benefits. Evansville/South Bend and Tyler seek greater intrastate connectivity with air service to their state capitals. Redding/Arcata and Elko also seek greater access to major intrastate markets with Redding/Arcata targeting service to Los Angeles and Elko to Las Vegas. Chattanooga seeks service to its first southwestern hub and Kalamazoo seeks service to its first major southern hub which would further enhance the service opportunities at these communities. Wilkes-Barre-Scranton plans to expand service to Orlando, one of its major leisure markets, and to recruit service to Detroit by Northwest, which does not now serve Wilkes-Barre/Scranton, further increasing competition at the community.

Sumter, South Carolina, and Butte, Montana, seek to use the grant funds to conduct feasibility studies. Sumter would use the grant funds to test the feasibility of a ground link service between Sumter and Columbia, South Carolina, its nearest air service point. Butte is interested in using the grant funds for a demand study and recruitment of another airline service to a new destination. This geographically isolated community now has service to two destinations (Salt Lake City and Seattle) and seeks greater access to the east. Grants to these communities will enable them to pursue these objectives.

Steamboat Springs, Colorado; Waterloo, Iowa; Alpena and Marquette, Michigan; Charlottesville, Virginia; and Walla Walla, Washington, all seek improvements in their air service through schedule changes or equipment upgrades. Steamboat Springs seeks to restore year-round service to Houston. This isolated community now has year-round service to Denver by a single carrier and seasonal service to Houston by a different carrier. Alpena and Walla Walla are each now served by only one carrier. Alpena seeks to replace one of its shared flights with Sault Ste. Marie to Detroit with a flight that originates in Alpena, ensuring a greater availability of seats for Alpena travelers. Walla Walla seeks to improve its service to Seattle by restoring an early morning outbound flight and late evening return flight. Waterloo and Charlottesville seek to upgrade some of their current services from turboprop to regional jet aircraft. Marquette seeks to increase capacity in each of its currently served markets as well as provide incentives to restore service to Detroit. These grant awards will further explore the ability of such upgrades as a solution to solving the challenges faced by these diverse communities.

Many of the other communities, including Huntsville, Alabama; New Haven, Connecticut; Pocatello, Idaho; Champaign-Urbana, Illinois; Lafayette, Louisiana; Columbus, Mississippi; and Youngstown, Ohio, propose aggressive marketing campaigns to increase use of the services at their airports. Huntsville plans to use extensive marketing, including through the internet and its own web page, to encourage airlines to offer lower fares at Huntsville. While the community has extensive service, its airfares are 23 percent above the national average. Pocatello, Champaign-Urbana, Lafayette, and Columbus plan to market the existing services at the airport to support use of those services and encourage other airlines to serve their communities. To date this program has demonstrated significant benefits from increased awareness of the services at the

local airport. This year's grant selections include communities of different sizes, with different levels of service, in various regions of the country, and will permit us to examine further the benefits of marketing across this broad spectrum of small communities.

Finally, four award selections involve six communities now receiving air service under the EAS program. McCook and North Platte, Nebraska; and Beckley and Lewisburg, West Virginia seek grant funds to market their EAS services to support those flights. Our experience at Moab, Utah, with a similar grant has suggested that marketing has been very useful in increasing patronage of the service. Lebanon, New Hampshire, and Dubois, Pennsylvania, also seek to use the grant funds for marketing, and would also use part of the funds for fare-specific promotional initiatives in order to further enhance use of the limited services at their communities. These grant projects will further seek to explore the benefits of increased marketing of these air services.

### **Grant Agreements**

As noted above, the Department will execute grant agreements with each recipient upon the issuance of this order and will contact the communities receiving grants to complete execution of those agreements. In the request for proposals, we stated that communities must establish milestones to monitor the progress of the proposed projects to determine whether amendments are necessary or whether the grant agreement should be terminated. As we have done in the past, milestones and progress reporting requirements will be included in the grant agreements.

Federal funds under this grant program are disbursed on a reimbursable basis, with the communities expending funds for the grant project and then seeking reimbursement. Communities should not proceed with their plans or expend funds for which they would seek reimbursement from the Federal government until the grant agreements have been signed. In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each invoice is relevant to the authorized grant project and has been paid. Communities will be required to comply fully with the terms of their proposals and the grant agreements.

Funds allotted for the program remain available until expended. In previous orders, we have stated that returned grant funds would be reallocated among the applicants that had submitted applications in that fiscal year. This program has grown considerably since it was first established. Moreover, previously filed applications become increasingly stale and less reflective of a community's plans and financial capabilities. Due to these factors, if, for a variety of reasons, funds become available, we will announce procedures for reallocation at that time.



## **AIR SERVICE DEVELOPMENT ZONE**

The statute directs the Department to designate an airport in one community awarded a grant under this program as an “air service development zone,” and to provide assistance, in coordination with other government agencies, to the community to facilitate land use and economic development of the area surrounding the airport. We will announce our selection for this designation by separate action.

## **REALLOCATION OF FISCAL YEAR 2002 AND 2003 GRANT FUNDS**

As discussed earlier, nearly all of the communities awarded grants have implemented their grant proposals. There are, however, a few instances where communities did not implement their grant projects and voluntarily terminated their grant awards. In addition, two communities initiated their grant projects, but subsequently determined they could no longer proceed with the projects and terminated their grant agreements. As a result, \$1,929,901 is available for reallocation. In order to ensure that these funds are fully used to the benefit of the communities that are in a position to use them, we believe that it is in the public interest to reallocate these funds promptly and to the fullest extent permitted under the statute, thereby ensuring that as many communities as possible can participate in the program and can address their air service issues. Many communities have previously filed applications that are pending before the Department. Currently, due to the overall statutory selection limitations, six additional selection opportunities are available. The Department has reviewed the pending proposals, and in selecting the additional six grant recipients sought to meet the provisions of the statute and maximize the overall goals of this program as described in previous orders. We have selected Rutland, Vermont; Hot Springs, Arkansas; Clarksburg/Morgantown, West Virginia; Worcester, Massachusetts; Visalia, California; and Syracuse, New York, as set forth in Appendix B to receive grant awards.

Rutland, Vermont, and Hot Springs, Arkansas, are communities that currently receive subsidized air service under the EAS program. Both have sought additional funds to increase use of those services with the ultimate goal of eliminating, or at least reducing, the subsidy needed for the services at their communities. The awards here will enable those communities to implement those projects. Similarly, Clarksburg/Morgantown, West Virginia, communities not now receiving subsidized air service, have sought grant funds for marketing programs to support enhanced patronage of the air services now provided and to encourage other airlines to serve.

Worcester, Massachusetts, currently has no scheduled air service and seeks funds to recruit a low-fare carrier to serve the community.

Visalia, California, currently receives one-stop service under a schedule that is not particularly convenient for the travelers from that community. Visalia’s proposal seeks funds to achieve a more responsive schedule, or to secure a new carrier to meet the demand for service more effectively.

Syracuse, New York, is a large small community that currently has service by two low-fare carriers. Jet Blue has provided limited service at the community for several years and Independence Air recently began service. Notwithstanding these services, airfares at Syracuse are 12 per cent above the national average. Syracuse has sought funds specifically to address the fare issue and proposed a comprehensive plan for doing so.

Collectively, the awards will maximize the selection and funding opportunities under the statute, and will further advance our policy goals for a broad distribution of the available grants across the country and among the different sizes of small communities to address a variety of service and fare related issues. Worcester, while receiving slightly less funding than it requested, will receive funds to provide substantial support for its grant project.

The communities must sign grant agreements with the Department before they can implement the authorized grant projects and are subject to the same conditions and assurances mentioned above that apply to the communities selected for fiscal year 2004 grant awards.

**ACCORDINGLY,**

1. This order hereby obligates Small Community Air Service Development Program fiscal year 2004 funds for the communities/consortia listed in Appendix A;
2. This order selects the communities identified in Appendix B for reallocation of unused funds from fiscal years 2002 and 2003;
3. Grant recipients are subject to all grant conditions and assurances specified in Appendix C to this order and FAA Order 5100-38B;
4. Grant recipients must execute a grant agreement with the Department before they can begin to spend funds provided under this order;
5. Grant recipients awarded less than the amount that they requested in their proposals must execute grant agreements with the Department of Transportation, or notify the Department that they do not accept the Department's grant offer no later than 7 calendar days from the issuance of this order;
6. We will make our selection of the community to be designated as the Air Service Development Zone under 49 U.S.C. 41743(h) by separate action; and

7. A copy of this order will be served on the legal sponsor for each of the communities awarded grants by this order.

By:

**KARAN K. BHATIA**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

*An electronic version of this document is available  
on the World Wide Web at <http://dms.dot.gov>*

**SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM  
FY 2004 GRANT AWARDS**

	<u>COMMUNITY</u>	<u>STATE</u>	<u>GRANT AMOUNT</u>	<u>DUNS NUMBER</u>
1	Huntsville	AL	\$479,950	063680789
2	Redding/Arcata	CA	\$500,000	039588590
3	Santa Rosa	CA	\$635,000	145551912
4	Steamboat Springs	CO	\$500,000	110987869
5	New Haven	CT	\$250,000	938868502
6	Sarasota	FL	\$1,500,000	067207746
7	Albany	GA	\$500,000	122655801
8	Sioux City	IA	\$609,800	137012311
9	Waterloo	IA	\$550,000	075841684
10	Pocatello	ID	\$75,000	036223100
11	Champaign/Urbana	IL	\$200,000	045122447
12	Bloomington	IL	\$850,000	041544081
13	Evansville/South Bend	IN	\$1,000,000	021734082/ 074321134
14	Lafayette	LA	\$240,000	059118182
15	Alpena	MI	\$583,046	080351281
16	Kalamazoo	MI	\$500,000	134404099
17	Marquette	MI	\$700,000	024898947
18	Columbus	MS	\$260,000	075457010
19	Butte	MT	\$360,000	156053241
20	Lincoln	NE	\$1,200,000	197601685
21	McCook/North Platte	NE	\$275,000	053460457
22	Lebanon	NH	\$500,000*	040250144
23	Farmington	NM	\$650,000	139241694
24	Elko	NV	\$222,000	124562690
25	Youngstown	OH	\$250,000	051625127
26	Salem	OR	\$500,000	079977534
27	Dubois	PA	\$400,000	083113699
28	Latrobe	PA	\$600,000	023452634
29	Wilkes-Barre/Scranton	PA	\$625,000	063885362
30	Sumter	SC	\$50,000	052063732
31	Sioux Falls	SD	\$350,000	803178011
32	Chattanooga	TN	\$750,000	556328334
33	Del Rio	TX	\$318,750	078482262
34	Tyler	TX	\$90,000	137951732
35	Logan	UT	\$530,000	070037209
36	Charlottesville	VA	\$250,000	097417349
37	Richmond	VA	\$950,000*	010038073
38	Walla Walla	WA	\$250,000	040187924
39	Eau Claire	WI	\$500,000	076521186
40	Beckley/Lewisburg	WV	\$300,000	091548479/ 162863757
	<b>Total</b>		<b>\$19,853,546</b>	

\*Grant amount awarded is less than what the community had requested.

**APPENDIX B****SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM FUNDS  
REALLOCATION**

	<b><u>SELECTED COMMUNITY</u></b>	<b><u>STATE</u></b>	<b><u>GRANT AMOUNT</u></b>	<b><u>DUNS NUMBER</u></b>
1	Hot Springs	AR	\$195,000	082585944
2	Visalia	CA	\$200,000	169200011
3	Worcester	MA	\$442,615*	065782575
4	Syracuse	NY	\$480,000	071607675
5	Rutland	VT	\$240,000	093248946
6	Clarksburg/Morgantown	WV	\$372,286	041967332/ 070453519
	<b>Total</b>		<b>\$1,929,901</b>	

\*Grant amount awarded is less than what the community requested.

**OFFICE OF THE SECRETARY  
DEPARTMENT OF TRANSPORTATION**

**TITLE VI ASSURANCE**  
(Implementing Title VI of the Civil Rights Act of 1964, as amended)

**ASSURANCE CONCERNING NONDISCRIMINATION ON THE  
BASIS OF DISABILITY IN FEDERALLY-ASSISTED PROGRAMS  
AND ACTIVITIES RECEIVING OR BENEFITING FROM  
FEDERAL FINANCIAL ASSISTANCE**

(Implementing the Rehabilitation Act of 1973, as amended, and the  
Air Carrier Access Act of 1986)

49 CFR Parts 21 and 27 and 14 CFR Parts 271 and 382

\_\_\_\_\_  
(Name of Grant Recipient) (the Grant Recipient) HEREBY AGREES  
THAT:

I. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply: with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d--42 U.S.C. 2000d-4; all requirements imposed by or pursuant to: Title 49, Code of Federal Regulations, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; and other pertinent directives so that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 21.7(a) and Title 14, Code of Federal Regulations, section 271.9(c).

II. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794); the Air Carrier Access Act of 1986 (49 U.S.C. 1374(c)); and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance, Title 14, Code of Federal Regulations, Part 382, Nondiscrimination on the Basis of Handicap in Air Travel; and other pertinent directives so that no otherwise qualified person with a disability, be excluded from participation in, be denied the benefits of, be discriminated against by reason of such handicap in the provision of air transportation, or otherwise

be subjected to discrimination under any program for which the Recipient receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 27.9 and Title 14, Code of Federal Regulations, sections 271.9(c) and 382.9.

III. It will promptly take any measures necessary to effectuate this agreement. The Recipient further agrees that it shall take reasonable actions to guarantee that it, its contractors and subcontractors subject to the Department of Transportation regulations cited above, transferees, and successors in interest will comply with all requirements imposed or pursuant to the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

IV. These assurances obligate the Recipient for the period during which Federal financial assistance is extended. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

V. These assurances are given for the purpose of obtaining Federal grant assistance under the Small Community Air Service Development Pilot Program and are binding on the Recipient, contractors, subcontractors, transferees, successors in interest, and all other participants receiving Federal grant assistance in the Small Community Air Service Development Pilot Program. The person or persons whose signatures appear below are authorized to sign this agreement on behalf of the Grant Recipient.

VI. In addition to these assurances, the Recipient agrees to file: a summary of all complaints filed against it within the past year that allege violation(s) by the Recipient of Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, or the Air Carrier Access Act of 1986; or a statement that there have been no complaints filed against it. The summary should include the date the complaint was filed, the nature of the complaint, the status or outcome of the complaint (*i.e.*, whether it is still pending or how it was resolved).

\_\_\_\_\_  
Date

\_\_\_\_\_  
Legal Name of Grant Recipient

By:

\_\_\_\_\_  
Signature of Authorized Official

**UNITED STATES OF AMERICA**  
**DEPARTMENT OF TRANSPORTATION**  
**OFFICE OF THE SECRETARY**  
**OFFICE OF AVIATION ANALYSIS**

**CERTIFICATION REGARDING INFLUENCING ACTIVITIES**

Certification for Contracts, Grants, Loans,  
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Grant Recipient



## **OFFICE OF THE SECRETARY OF TRANSPORTATION**

### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS**

#### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is

not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

_____ Name	_____ Affiliation
_____ Title	_____ Date

## **OFFICE OF THE SECRETARY OF TRANSPORTATION**

### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED TRANSACTIONS**

#### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions**

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

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Name

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Title

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Affiliation

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Date